



Testimony of John Ziraldo

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Good morning, Mr. Chairman. I want to thank you and the Members of the House Energy and Technology Committee for the opportunity to testify this morning on behalf of the thousands of Michigan families who are facing the prospect of a long cold winter and the threat of utility shut-offs due to a lack of public funding for emergency heating assistance.

I serve as the CEO and President of Lighthouse of Oakland County, a nonprofit human service agency that assists more than 10,000 families each year to move from crisis to self-sufficiency. Lighthouse has been providing services to low-income families in Oakland County since 1972. What began as an effort to provide food and clothing from the back door of a local church has grown into a family of agencies providing a full range of services designed to move people from crisis and instability to self-sufficiency and independence. Many of these families come to us facing a utility shut-off and with the help of both public and private funding we have been able to help many to remain in their homes and to avoid these energy crises in the future.

The Need for Shut-Off Assistance is Large & Growing

In the first six months of 2011, Lighthouse provided utility assistance to 1,268 families through its Pontiac and Clarkston offices. This is a 13% increase over the number of families receiving utility assistance during the entire previous year. Since July 1st our agency has not had any additional funding, beyond private donations, to help families to avoid utility shut-offs and each month we turn away more than a hundred families who call or drop in hoping we can help with a threatened shut off.

United Way for Southeastern Michigan's 211 help line has reported that requests for utility assistance account for 20% of the total number of calls they receive. The need for energy assistance for struggling families in Michigan is so large that Governor Snyder called on the federal government to increase the funding provided to our State for utility help for low-income families.

Utility Help Prevents More Serious Problems

Our nearly forty years of experience at Lighthouse working with low-income families has taught us that intervening early in a crisis nearly always helps families to avoid more serious and more expensive problems. For example, we often work with families who are coming out of emergency shelter. In nearly every case, these families became homeless when a smaller problem in their lives was not resolved in a timely way. Sometimes something as trivial as a broken transmission led to fewer hours at work and then unpaid rent and other bills and finally homelessness. Home heating assistance programs like those supported by the Low-Income Energy Efficiency Fund has enabled families to avoid homelessness and many other expensive and serious long-term problems. The cost of a single episode of homelessness for a family with children is much more expensive than providing the support they need to avoid a shut-off.

Once we have resolved the immediate shut off crisis, our agency works to enroll families in budgeting, personal finance and energy efficiency classes so that these families can avoid this problem in the future. Without adequate funding for shut-off assistance many families will not begin to work on the long-term solutions that will enable them to avoid crises in the future.

LIEEF Leverages Support from Other Sources

For the past few years, Lighthouse has offered shut-off assistance with funding from several sources including Michigan's Low-Income Energy Efficiency Fund, The Heath and Warmth Fund (THAW) and private donations from individuals, foundations, churches and businesses. Often we must combine funding from several sources to resolve a threatened utility shut-off for a single family. In nearly every case, the family facing a utility shut-off also brings its own resources to the table to gather enough funding to resolve the expensive shut off problem. It is not uncommon to encounter families with unpaid utility bills totaling more than \$2,000.

If the Michigan Public Service Commission is not allowed to continue to administer the Low-Income Energy Efficiency Fund, community-based agencies like mine will struggle to draw down funding from other sources and families will go without heat and lights. More importantly, further delay in restoring funding in Michigan for utility assistance will mean that the amount of money needed to resolve each threatened shut-off will grow and stretch existing resources to the limit.

A Lack of Utility Help is Unfair to the Newly Poor

The national economic downturn has hit many middle class families in our community especially hard. More than a third of the families coming these days to Lighthouse are reaching out for help from agencies like ours for the first time in their lives. It is not uncommon to meet families in our waiting room today who were volunteering and contributing to our agency just a few years ago.

A lack of funding in Michigan for emergency shut off assistance this winter will seem especially unfair to these families. In prior years, nearly all have contributed through their utility bills to help other families who were faced with a shut off. Now when it is their turn to seek help, few resources will be there to make sure the lights and heat remain on. It is only fair and reasonable for this Committee to take action now to restore the Low-Income Energy Efficiency Fund for all families who need help in Michigan. For many years these families contributed when others were in crisis and Michigan has the resources to help these families now that they are in need.

I am asking you today to take up consideration of House Bill 5008 to enable the Low-Income Energy Efficiency Fund to provide shut-off help and energy efficiency programs to Michigan families in need.